

BIOCON PHARMA INC.

BALANCE SHEET AS AT MARCH 31, 2022

(All amounts are in United States Dollars, except share data and per share data, unless otherwise stated)

	<u>Note</u>	<u>March 31, 2022</u>	<u>March 31, 2021</u>
ASSETS			
Non-current assets			
Property, plant and equipment	3	36,622	63,495
Capital work in progress	3	54,191	54,191
Intangible assets	4	12,99,514	11,07,038
Intangible asset under development	4	17,38,038	8,66,475
Right-of-use assets	5	30,409	1,21,597
Financial assets			
(i) Loans	6	90,00,000	-
(ii) Other financial assets	7	11,91,852	14,083
Income-tax assets (net)		24,78,834	3,77,551
Total non-current assets		1,58,29,460	26,04,430
Current assets			
Inventories	8	2,84,24,683	1,76,99,925
Financial assets			
(i) Trade receivables	9	2,17,91,741	1,26,13,961
(ii) Cash and cash equivalents	10	21,21,999	49,13,661
(ii) Other financial assets	7	5,04,869	3,10,369
Other current assets	11	22,27,726	21,73,019
Total current assets		5,50,71,018	3,77,10,935
TOTAL		7,09,00,478	4,03,15,365
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12(a)	14,00,000	14,00,000
Preference share capital	12(b)	1,69,00,000	1,69,00,000
Other equity		53,32,094	25,58,443
Total equity		2,36,32,094	2,08,58,443
Non-current liabilities			
Financial liabilities			
(i) Borrowings	13	1,45,00,000	1,00,00,000
(ii) Lease liabilities		-	29,741
		1,45,00,000	1,00,29,741
Current liabilities			
Financial liability			
(i) Borrowings	13	50,00,000	-
(ii) Trade payables	14	2,53,13,687	92,14,242
(iii) Lease liabilities		40,297	1,05,764
(iv) Other financial liabilities	15	1,40,289	21,634
Income-tax liability (net)		22,20,079	-
Other liabilities	16	54,032	85,541
Total current liabilities		3,27,68,384	94,27,181
TOTAL		7,09,00,478	4,03,15,365

The accompanying notes are an integral part of the financial statements.

BIOCON PHARMA INC.**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022****(All amounts are in United States Dollars, except share data and per share data, unless otherwise stated)**

	<u>Note</u>	<u>Year ended</u> <u>March 31, 2022</u>	<u>Year ended</u> <u>March 31, 2021</u>
Income			
Revenue from operations	17	6,21,26,451	5,92,13,331
Other income	18	9,28,604	2,34,901
Total income		6,30,55,055	5,94,48,232
Expenses			
Purchases of product		5,81,14,633	4,78,71,876
Changes in inventories	19	(1,07,24,758)	(54,76,851)
Employee benefits expense	20	20,54,988	17,98,866
Finance Costs	21	1,27,859	2,94,675
Depreciation and amortisation expense	22	4,75,586	2,79,654
Other expenses	23	90,34,300	1,03,48,915
Total expenses		5,90,82,608	5,51,17,135
Profit before Tax		39,72,447	43,31,097
Tax expense			
Current tax		11,98,796	10,21,283
Profit for the year		27,73,651	33,09,814

The accompanying notes are an integral part of the financial statements.

BIOCON PHARMA INC.

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2022

(All amounts are in United States Dollars, except share data and per share data, unless otherwise stated)

A. Equity share capital	March 31, 2022	March 31, 2021
Opening balance	14,00,000	14,00,000
Closing balance	14,00,000	14,00,000

B. Preference share capital	March 31, 2022	March 31, 2021
Opening balance	1,69,00,000	1,20,00,000
Share issued during the year	-	49,00,000
Closing balance	1,69,00,000	1,69,00,000

C. Other equity

Particulars	Retained earnings	Share application money pending allotment	Total other equity
Balance as at April 01, 2020	(7,51,371)	-	(7,51,371)
Application money received / (transferred) during the year	-	-	-
Profit for the year	33,09,814	-	33,09,814
Balance as at March 31, 2021	25,58,443	-	25,58,443
Profit for the year	27,73,651	-	27,73,651
Balance as at March 31, 2022	53,32,094	-	53,32,094

The accompanying notes are an integral part of the financial statements.

BIOCON PHARMA INC.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in United States Dollars, except share data and per share data, unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
I Cash flows from operating activities		
Profit for the year	27,73,651	33,09,814
<u>Adjustments to reconcile profit before tax to net cash flows</u>		
Depreciation and amortisation expense	4,75,586	2,79,654
Tax expense	11,98,796	10,21,283
Interest expense	1,27,859	2,94,675
Interest Income	(1,94,500)	(2,34,901)
Operating profit before working capital changes	<u>43,81,392</u>	<u>46,70,525</u>
Movements in working capital		
Decrease/(increase) in inventories	(1,07,24,758)	(54,76,851)
Decrease/(increase) in other assets	(1,04,11,514)	14,82,532
(Decrease)/increase in trade payable, other liabilities and provisions	1,60,69,194	(91,47,511)
Direct taxes paid (net of refunds)	(10,80,000)	(13,80,648)
Net cash used in operating activities	<u>(17,65,686)</u>	<u>(98,51,953)</u>
II Cash flows from investing activities		
Purchase of intangible assets	(14,21,564)	(17,20,665)
	<u>(14,21,564)</u>	<u>(17,20,665)</u>
III Cash flows from financing activities		
Proceeds from issuance of Preference share capital	-	49,00,000
Loan to fellow subsidiaries	(90,00,000)	66,56,448
Proceeds from long-term borrowings	45,00,000	50,00,000
Proceeds from short-term borrowings	50,00,000	(50,00,000)
Repayment of Lease liabilities, net	(1,04,411)	(1,03,736)
Interest paid	-	(3,45,444)
Interest income	-	-
Net cash flow from/ (used in) financing activities	<u>3,95,589</u>	<u>1,11,07,268</u>
III Net increase in cash and cash equivalents (I + II)	(27,91,661)	(4,65,350)
IV Effect of exchange differences on cash and cash equivalents held in foreign currency	-	-
V Cash and cash equivalents at the beginning of the year	49,13,661	53,79,011
VI Cash and cash equivalents at the end of the year (III+ IV + V)	<u>21,22,000</u>	<u>49,13,661</u>
Components of cash and cash equivalents		
Balances with banks - on current accounts	21,21,999	49,13,661
Total cash and cash equivalents [refer note 5]	<u>21,21,999</u>	<u>49,13,661</u>

The accompanying notes are an integral part of the financial statements.

BIOCON PHARMA INC.

Notes to financials statements for the year ended March 31, 2022

(All amounts are in United States Dollars, except share data and per share data, unless otherwise stated)

3. Property, plant and equipment

	Furniture and fixture	Computers	Leasehold improvements	Total	Capital work in progress
Gross carrying amount					
At April 01, 2020	63,591	53,219	27,440	1,91,322	-
Additions	-	-	-	-	54,191
Disposal / transfers	-	-	-	-	-
At March 31, 2021	63,591	53,219	27,440	1,91,322	54,191
Additions	-	-	-	-	-
Disposal / transfers	-	-	-	-	-
At March 31, 2022	63,591	53,219	27,440	1,91,322	54,191
Accumulated amortisation					
At April 01, 2020	(21,227)	(35,448)	(10,299)	(83,304)	-
Depreciation for the year	(10,598)	(17,651)	(6,860)	(44,523)	-
At March 31, 2021	(31,825)	(53,099)	(17,159)	(1,27,827)	-
Depreciation for the year	(10,598)	-	(6,860)	(26,873)	-
At March 31, 2022	(42,423)	(53,099)	(24,019)	(1,54,700)	-
Net carrying amount					
At March 31, 2021	31,766	120	10,281	63,495	54,191
At March 31, 2022	21,168	120	3,421	36,622	54,191

4. Intangible assets

	Marketing rights	Intangible under development
Gross carrying amount		
At March 31, 2020	6,43,000	-
Additions	8,00,000	8,66,475
At March 31, 2021	14,43,000	8,66,475
Additions	5,50,000	8,71,563
At March 31, 2022	19,93,000	17,38,038
Accumulated amortisation		
At March 31, 2020	(1,92,019)	-
Amortisation for the year	(1,43,943)	-
At March 31, 2021	(3,35,962)	-
Amortisation for the year	(3,57,524)	-
At March 31, 2022	(6,93,486)	-
Net carrying amount		
At March 31, 2021	11,07,038	8,66,475
At March 31, 2022	12,99,514	17,38,038

5. Right-of-use-assets

	Amount
Gross carrying amount	
At March 31, 2021	3,03,978
Additions	-
At March 31, 2022	3,03,978
Accumulated amortisation	
At March 31, 2021	(1,82,381)
additions	-
Amortisation for the year	(91,188)
At March 31, 2022	(2,73,569)
Net carrying amount	
At March 31, 2021	1,21,597
At March 31, 2022	30,409

BIOCON PHARMA INC.

Notes to financial statements for the year ended March 31, 2022

(All amounts are in United States Dollars, except share data and per share data, unless otherwise stated)

	March 31, 2022	March 31, 2021
<u>6. Loans</u>		
(a) Non-current		
Loans to related Parties	90,00,000	-
	<u>90,00,000</u>	<u>-</u>
<u>7. Other financial assets</u>		
(a) Non-current		
Other receivable	11,77,769	
Deposits	14,083	14,083
	<u>11,91,852</u>	<u>14,083</u>
(b) Current		
Interest accrued	5,04,869	3,10,369
	<u>5,04,869</u>	<u>3,10,369</u>
<u>8. Inventories</u>		
Products	2,84,24,683	1,76,99,925
	<u>2,84,24,683</u>	<u>1,76,99,925</u>
<u>9. Trade receivables</u>		
Unsecured, considered good	2,17,91,741	1,26,13,961
	<u>2,17,91,741</u>	<u>1,26,13,961</u>
<u>10. Cash and bank balances</u>		
Cash and cash equivalents		
Balances with banks:		
On current accounts	21,21,999	49,13,661
Total cash and cash equivalents	<u>21,21,999</u>	<u>49,13,661</u>
<u>11. Other current assets</u>		
Prepayments	1,37,066	1,40,758
Advance to suppliers	20,90,660	20,32,261
	<u>22,27,726</u>	<u>21,73,019</u>

	<u>March 31, 2022</u>	<u>March 31, 2021</u>
<u>12(a). Share capital</u>		
Authorised share capital		
500,000 shares of common stock (March 31, 2020 - 500,000) of USD 10 each	50,00,000	50,00,000
Issued, subscribed and fully paid-up		
140,000 (March 31, 2020 - 140,000) equity shares of USD 10 each	14,00,000	14,00,000
16,90,000 (March 31, 2020 - 12,00,000) preference shares of USD 10 each	1,69,00,000	1,69,00,000
	<u>1,83,00,000</u>	<u>1,83,00,000</u>

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares	<u>March 31, 2022</u>		<u>March 31, 2021</u>	
	<u>No.</u>	<u>USD</u>	<u>No.</u>	<u>USD</u>
At the beginning of the year	1,40,000	14,00,000	1,40,000	14,00,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	<u>1,40,000</u>	<u>14,00,000</u>	<u>1,40,000</u>	<u>14,00,000</u>
Preference shares				
	<u>March 31, 2022</u>		<u>March 31, 2021</u>	
	<u>No.</u>	<u>USD</u>	<u>No.</u>	<u>USD</u>
At the beginning of the year	16,90,000	1,69,00,000	12,00,000	1,20,00,000
Issued during the year	-	-	4,90,000	49,00,000
Outstanding at the end of the year	<u>16,90,000</u>	<u>1,69,00,000</u>	<u>16,90,000</u>	<u>1,69,00,000</u>

(ii) Terms/ rights attached to shares

Equity shares are at a par value of USD 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

Optionally convertible redeemable cumulative preference shares (OCRPS) are at a par value of USD 10 per share. Each holder of OCRPS is entitled to one vote per share on all matters pertaining to the rights of OCRPS holders.

(iii) Details of shareholders holding more than 5% shares in the Company

	<u>March 31, 2022</u>		<u>March 31, 2021</u>	
	<u>No.</u>	<u>% holding</u>	<u>No.</u>	<u>% holding</u>
Equity shares of Rs 10 each fully paid				
Biocon Pharma Limited, the holding company (including shares held through nominees)				
Equity shares of USD 10 each fully paid up	1,40,000	100%	1,40,000	100%
Convertible preferred stock of USD 10 each fully paid				
Biocon Pharma Limited, the holding company (including shares held through nominees)				
Preferred Stock of USD 10 each fully paid up	16,90,000	100%	16,90,000	100%

As per records of the Company, including its register of shareholders/ members, the above shareholding represents both legal and beneficial ownerships of shares.

12(b). Other equity

Retained earnings

The amount that can be distributed by the Company as dividends to its equity shareholders.

	<u>March 31, 2022</u>	<u>March 31, 2021</u>
<u>13. Borrowings</u>		
(a) Non-Current		
Loan from related parties	1,45,00,000	1,00,00,000
	<u>1,45,00,000</u>	<u>1,00,00,000</u>
(b) Current		
Cash credit	50,00,000	-
	<u>50,00,000</u>	<u>-</u>
<u>14. Trade payables</u>		
Trade payables	2,53,13,687	92,14,242
	<u>2,53,13,687</u>	<u>92,14,242</u>
<u>15. Other financial liabilities</u>		
(a) Current		
Interest accrued but not due	1,40,289	21,634
	<u>1,40,289</u>	<u>21,634</u>
<u>16. Other liabilities</u>		
(a) Current		
Statutory dues	54,032	85,541
	<u>54,032</u>	<u>85,541</u>

BIOCON PHARMA INC.

Notes to financials statements for the year ended March 31, 2022

(All amounts are in United States Dollars, except share data and per share data, unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
<u>17. Revenue from operations</u>		
Sale of products		
Traded goods	6,21,26,451	5,92,13,331
Revenue from operations	6,21,26,451	5,92,13,331
<u>18. Other income</u>		
Interest on Loan to Group Company	1,94,500	-
Others	7,34,104	-
	9,28,604	-
<u>19. (Increase)/ Decrease in inventories of traded goods</u>		
Inventory at the beginning of the year		
Traded goods	1,76,99,925	1,22,23,074
	1,76,99,925	1,22,23,074
Inventory at the end of the year		
Traded goods	2,84,24,683	-
	2,84,24,683	-
	(1,07,24,758)	1,22,23,074
<u>20. Employee benefits expense</u>		
Salaries, wages and bonus	16,79,554	16,75,585
Share based payment expense	3,10,683	68,733
Staff welfare expenses	64,751	54,548
	20,54,988	17,98,866
<u>21. Finance cost</u>		
Interest on		
Interest expenses on finance lease liabilities measured on amortised cost	1,18,655	2,85,471
Lease liabilities	9,204	9,204
	1,27,859	2,94,675
<u>22. Depreciation and amortisation expenses</u>		
Depreciation of tangible assets	26,872	44,523
Amortisation of intangible assets	3,57,526	1,43,943
Amortisation of right-of-use-assets	91,188	91,188
	4,75,586	2,79,654
<u>23. Other expenses</u>		
Communication expenses	129	49
Travelling and conveyance	47,754	-
Professional charges	12,34,537	6,46,140
Insurance	1,30,043	1,46,983
Rates, taxes and fees	87,605	49,012
Repairs and maintenance		
Plant and machinery	5,898	16,586
Others	18,311	12,559
Research & development expenses	9,41,870	7,19,693
Selling expenses		
Freight outwards and clearing charges	23,94,314	24,45,320
Sales promotion expenses	40,03,198	62,50,224
Printing and stationery	8,346	1,734
Foreign exchange fluctuation, net	5,949	1,251
Miscellaneous expenses	1,56,346	59,364
	90,34,300	1,03,48,915